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FREEMAN BUSINESS INFORMATION PLC.
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006

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FREEMAN BUSINESS INFORMATION PLC.

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FOR THE YEAR ENDED 31ST DECEMBER 2006

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FREEMAN BUSINESS INFORMATION PLC.
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2006

DIRECTORS:

P G Freeman
Mrs S B Forster

SECRETARY:

Mrs S B Forster

REGISTERED OFFICE:

5 Albany Courtyard
Piccadilly
London
W1J 0HF

REGISTERED NUMBER:

03705220

AUDITORS:

Ward Mackenzie
Accountants and Registered Auditors
Mackenzie House
Coach and Horses Passage
The Pantiles
Tunbridge Wells
Kent TN2 5NP

FREEMAN BUSINESS INFORMATION PLC

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2006

The directors present their report with the financial statements of the company for the year ended 31st December 2006

PRINCIPAL ACTIVITY

The principal activities of the company in the year under review were those of business publishing (in print and online business information, funded by advertising and subscription sales)

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements

The company was established in 1999 to provide first class business information services in print and online. Its first product was "Freeman's Guide to the Property Industry" in June 2000, which won the 2001 Champion Award from the Data Publishers Association for any reference source whether in print, online or on CD.

Since 2000, the company has published a number of books and created a number of websites, all reflecting the highest editorial standards. The publications have covered European as well as British businesses. The company has achieved revenue of £5million since it began but aggregate costs of creating and publishing the titles have been about £10million. The directors have concluded, as at Spring 2007, that it would be best for the business to be taken forward by a larger B2B publisher with a successful sales platform. Discussions are under way to that end.

DIVIDENDS

No dividends will be distributed for the year ended 31st December 2006

RESEARCH AND DEVELOPMENT

Expenditure on Research and Development is written off to the Profit and Loss account in the year in which it is incurred.

DIRECTORS

The directors during the year under review were

P G Freeman
Mrs S B Forster

The beneficial interests of the directors holding office on 31st December 2006 in the issued share capital of the company were as follows

	31 12 06	1 1 06
Ordinary £1 shares		
P G Freeman	1,967,808	1,767,808
Mrs S B Forster	-	-

FREEMAN BUSINESS INFORMATION PLC

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2006

P G Freeman's beneficial interest in the ordinary shares of the company includes the following interests of his immediate family

	Interest at end of year	Interest at start of year
TC Freeman	90,000	90,000
MI Freeman	117,678	117,678
DJ Freeman	117,678	117,678

The company established an unapproved share options scheme for employees, which was adopted by the shareholders on 29 June 1999

The options granted to directors to subscribe for £1 ordinary shares were as follows

	Exercise Price £	At 31 December 2005 No	Granted in period No	Exercised in period No	Cancelled/ lapsed in period No	At 31 December 2006 No
A Goldstone	1 50	10,000	-	-	-	10,000

During a prior period the company established an Enterprise Management Incentive Scheme The options granted to directors to subscribe for £1 ordinary shares were as follows

	Exercise Price £	At 31 December 2004 No	Granted in period No	Exercised in period No	Lapsed in period No	At 31 December 2005 No
A Goldstone	1 25	30,000	-	-	-	30,000
A Goldstone	2 50	10,000	-	-	-	10,000
S Forster	1 50	10,000	-	-	-	10,000
S Forster	1 50	66,666	-	-	-	66,666

COMPANY'S POLICY ON PAYMENT OF CREDITORS

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers provided that all trading terms have been complied with

At 31 December 2006, the company had an average of 19 days (2005 20 days) purchases outstanding in trade creditors

FREEMAN BUSINESS INFORMATION PLC.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

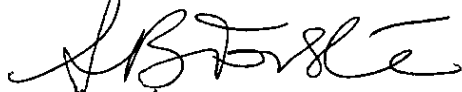
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Ward Mackenzie, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



Mrs S B Forster - Secretary

Date 21st June 2007

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
FREEMAN BUSINESS INFORMATION PLC.**

We have audited the financial statements of Freeman Business Information Plc for the year ended 31st December 2006 on pages seven to eighteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page four.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
FREEMAN BUSINESS INFORMATION PLC.**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements



Ward Mackenzie
Accountants and Registered Auditors
Mackenzie House
Coach and Horses Passage
The Pantiles
Tunbridge Wells
Kent TN2 5NP

Date 21 June 2007

FREEMAN BUSINESS INFORMATION PLC

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2006

		31.12.06	31 12 05
	Notes	£	as restated £
TURNOVER		591,770	675,706
Administrative expenses		<u>884,864</u>	<u>861,948</u>
OPERATING LOSS	3	(293,094)	(186,242)
Interest payable and similar charges	4	<u>7,300</u>	<u>7,300</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(300,394)	(193,542)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(300,394)</u>	<u>(193,542)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

The notes form part of these financial statements

FREEMAN BUSINESS INFORMATION PLC.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31ST DECEMBER 2006

	31.12.06	31 12 05 as restated
	£	£
LOSS FOR THE FINANCIAL YEAR	(300,394)	(193,542)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	(300,394)	(193,542)
Prior year adjustment	Note 6	
	(24,936)	(55,321)
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT	(325,330)	(248,863)

The notes form part of these financial statements

FREEMAN BUSINESS INFORMATION PLC.

BALANCE SHEET
31ST DECEMBER 2006

		31.12.06		31 12 05 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	7		-		-
Tangible assets	8		7,630		8,637
			<u>7,630</u>		<u>8,637</u>
CURRENT ASSETS					
Debtors	9	114,683		121,280	
Cash at bank and in hand		31,656		114,857	
		<u>146,339</u>		<u>236,137</u>	
CREDITORS					
Amounts falling due within one year	10	358,829		349,240	
NET CURRENT LIABILITIES			<u>(212,490)</u>		<u>(113,103)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(204,860)</u>		<u>(104,466)</u>
CAPITAL AND RESERVES					
Called up share capital	12	2,143,308		1,943,308	
Share premium	13	3,086,473		3,086,473	
Profit and loss account	13	(5,434,641)		(5,134,247)	
SHAREHOLDERS' FUNDS	16		<u>(204,860)</u>		<u>(104,466)</u>

The financial statements were approved by the Board of Directors on 21st June 2007 and were signed on its behalf by


Mrs S B Forster - Director

FREEMAN BUSINESS INFORMATION PLC.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2006

		31 12.06	31 12 05 as restated
	Notes	£	£
Net cash outflow from operating activities	1	(279,060)	(233,375)
Capital expenditure	2	(4,141)	(5,850)
		<u>(283,201)</u>	<u>(239,225)</u>
Financing	2	200,000	299,998
(Decrease)/Increase in cash in the period		<u>(83,201)</u>	<u>60,773</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/Increase in cash in the period		<u>(83,201)</u>	<u>60,773</u>
Change in net funds resulting from cash flows		<u>(83,201)</u>	<u>60,773</u>
Movement in net funds in the period		<u>(83,201)</u>	<u>60,773</u>
Net funds at 1st January		<u>114,857</u>	<u>54,084</u>
Net funds at 31st December		<u>31,656</u>	<u>114,857</u>

The notes form part of these financial statements

FREEMAN BUSINESS INFORMATION PLC.

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2006

1 RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	31.12.06	31 12 05
		as restated
	£	£
Operating loss	(293,094)	(186,242)
Depreciation charges	5,148	3,761
Decrease/(Increase) in debtors	6,597	(36,967)
Increase/(Decrease) in creditors	2,289	(13,927)
	<hr/>	<hr/>
Net cash outflow from operating activities	(279,060)	(233,375)
	<hr/>	<hr/>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.12.06	31 12 05
		as restated
	£	£
Capital expenditure		
Purchase of tangible fixed assets	(4,141)	(5,850)
	<hr/>	<hr/>
Net cash outflow for capital expenditure	(4,141)	(5,850)
	<hr/>	<hr/>
Financing		
Share issue	200,000	299,998
	<hr/>	<hr/>
Net cash inflow from financing	200,000	299,998
	<hr/>	<hr/>

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 1 06	Cash flow	At
	£	£	31.12.06
			£
Net cash			
Cash at bank and in hand	114,857	(83,201)	31,656
	<hr/>	<hr/>	<hr/>
	114,857	(83,201)	31,656
	<hr/>	<hr/>	<hr/>
Total	114,857	(83,201)	31,656
	<hr/>	<hr/>	<hr/>

The notes form part of these financial statements

FREEMAN BUSINESS INFORMATION PLC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006

I ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

Turnover

Turnover represents net invoiced sales of services, excluding value added tax

Turnover represents the amounts (excluding VAT) derived from the provision of goods and services to customers

Turnover derived from advertising in publications but prior to their release, is deferred until the release date of the publication

Web-site subscription revenues, which are generally paid in advance are non-refundable, are recognised ratably over the term of the subscription agreement, which is typically twelve months

All turnover is derived from sales made in the United Kingdom

Intangible fixed assets and amortisation

Intangible fixed assets acquired as part of an acquisition are capitalised as part of their fair value where this can be measured reliably Intellectual property purchased by the group is amortised to nil by equal annual instalments over its useful economic life, estimated at 3 years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures and fittings - Straight line over 4 years

Computer equipment - Straight line over 3 years

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Research and development

Expenditure on research and development is written off in the year in which it is incurred

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction Exchange differences are taken into account in arriving at the operating result

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pensions

The company operates a defined contribution pension scheme Contributions payable for the year are charged in the profit and loss account

Employee share scheme

The cost of awards to employees that take the form of shares or rights to shares are recognised upon the granting of such options to employees where these vest immediately with no performance criteria Where such criteria exists the cost is charged over the performance period based on an estimate of the extent to which the criteria will be met

FREEMAN BUSINESS INFORMATION PLC.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2006

2 STAFF COSTS

	31.12.06	31 12 05 as restated
	£	£
Wages and salaries	475,187	438,728
Social security costs	49,425	46,694
Other pension costs	7,500	7,500
	<u>532,112</u>	<u>492,922</u>

The average monthly number of employees during the year was as follows

	31.12.06	31 12 05 as restated
Sales and Marketing	3	3
Administrative	3	2
Research and IT	11	11
	<u>17</u>	<u>16</u>

3 OPERATING LOSS

The operating loss is stated after charging

	31.12.06	31 12 05 as restated
	£	£
Other operating leases	45,000	40,161
Depreciation - owned assets	5,148	3,760
Auditors' remuneration	5,425	5,100
	<u>55,573</u>	<u>49,021</u>
Directors' emoluments	75,000	75,000
Directors' pension contributions to money purchase schemes	7,500	7,500

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

4 INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.06	31 12 05 as restated
	£	£
Loan	<u>7,300</u>	<u>7,300</u>

5 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31st December 2006 nor for the year ended 31st December 2005

FREEMAN BUSINESS INFORMATION PLC.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2006

5 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	31.12 06	31 12 05 as restated
	£	£
Loss on ordinary activities before tax	<u>(300,394)</u>	<u>(193,542)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 - 30%)	(90,118)	(58,063)
Effects of		
Expenses not deductible for the tax purposes	2,297	2,653
Depreciation for period in excess of/(less than) capital allowances	(3,491)	(5,171)
Deferred tax asset not recognised for increase in tax losses	<u>91,312</u>	<u>60,581</u>
Current tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

In accordance with the guidelines set out in FRS19, the Company has not recognised a deferred tax asset of £1,466,149 (2005 £1,387,113). The deferred tax asset arises on tax losses for which the relief of the loss against future profits cannot be foreseen with reasonable certainty.

6 PRIOR YEAR ADJUSTMENT

A prior year adjustment of £24,936, comprising two elements, was made this year. This adjustment was made to increase turnover by £15,250 this year in respect of income deferred from 2005 to 2006. This adjustment ensured that income from UK Property 2006, which was published in 2006, was included in the correct year.

The prior year adjustment of £24,936 was also made to reduce printing, postage, stationery and distribution costs in the year by £9,686. This adjustment ensured that the costs in relation to reprinting copies of European Property 2006 were correctly matched to the revenue from this publication in the year ended 31st December 2005.

A prior year adjustment of £55,321 was made in the previous year (ended 31st December 2005) to reduce postage, stationery and distribution costs. This adjustment ensured that the costs were correctly matched to the revenue income in the years to 31st December 2004 and 31st December 2005.

FREEMAN BUSINESS INFORMATION PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2006

7 INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1st January 2006 and 31st December 2006	<u>400,000</u>
AMORTISATION	
At 1st January 2006 and 31st December 2006	<u>400,000</u>
NET BOOK VALUE	
At 31st December 2006	<u>-</u>
At 31st December 2005	<u>-</u>

8 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1st January 2006	35,091	227,114	262,205
Additions	-	4,141	4,141
At 31st December 2006	<u>35,091</u>	<u>231,255</u>	<u>266,346</u>
DEPRECIATION			
At 1st January 2006	33,101	220,467	253,568
Charge for year	995	4,153	5,148
At 31st December 2006	<u>34,096</u>	<u>224,620</u>	<u>258,716</u>
NET BOOK VALUE			
At 31st December 2006	<u>995</u>	<u>6,635</u>	<u>7,630</u>
At 31st December 2005	<u>1,990</u>	<u>6,647</u>	<u>8,637</u>

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.06	31 12 05 as restated
	£	£
Trade debtors	85,698	117,074
VAT	2,860	-
Prepayments and accrued income	26,125	4,206
	<u>114,683</u>	<u>121,280</u>

FREEMAN BUSINESS INFORMATION PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2006

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.06	31 12 05
	£	as restated £
Trade creditors	13,597	14,646
Social security and other taxes	15,030	14,741
VAT	-	9,034
Other creditors	61,280	49,969
Directors' loan accounts	149,630	142,330
Accruals and deferred income	119,292	118,520
	<u>358,829</u>	<u>349,240</u>

Interest of £49,630 (2005 £42,330) has accrued on the director's loan account. Interest of £7,300 (2005 £7,300) has been charged to loan interest in the profit and loss account. This represents a commercial rate of 5.25%pa (2005 5.26%).

11 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	31.12.06	31 12 05
	£	as restated £
Expiring		
Within one year	45,000	-
Between one and five years	-	45,000
	<u>45,000</u>	<u>45,000</u>

12 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	31.12.06	31 12 05
			£	as restated £
3,000,000	Ordinary	£1	3,000,000	2,000,000
(31 12 05 - 2,000,000)			<u> </u>	<u> </u>
Allotted, issued and fully paid Number	Class	Nominal value	31 12.06	31 12 05
			£	as restated £
2,143,308	Ordinary	£1	2,143,308	1,943,308
(31 12 05 - 1,943,308)			<u> </u>	<u> </u>

FREEMAN BUSINESS INFORMATION PLC.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2006

12 CALLED UP SHARE CAPITAL - continued

On the 29 June 2006, an ordinary resolution was passed to increase the share capital of the company from 2,000,000 to 3,000,000 ordinary shares of £1 each

The company issued 100,000 shares at no premium on 5 July 2006 and a further 100,000 shares on 28 September 2006 also at no premium

13 RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1st January 2006	(5,109,311)	3,086,473	(2,022,838)
Prior year adjustment	(24,936)		(24,936)
	<hr/>		<hr/>
Deficit for the year	(5,134,247)		(2,047,774)
	<hr/>		<hr/>
At 31st December 2006	<u>(5,434,641)</u>	<u>3,086,473</u>	<u>(2,348,168)</u>

14 CONTINGENT LIABILITIES

Warranties exist in respect of the sale of integer software and services during the year to 31 December 2006. It is not considered practicable to disclose an estimate of the financial effect. Liability under the warranties had not occurred as at 31 December 2006, and are uncertain in amount and timing.

15 RELATED PARTY DISCLOSURES

Peter Freeman, a director, has lent the company £100,000 (£50,000 on 2/3/00 and £50,000 on 20/3/00), which was outstanding at the start and end of the year. At the year end, interest of £49,630 (2005 £42,330) had accrued on the loan, £7,300 (2005 £7,300) accruing in the year. The interest is payable upon the repayment of the loan.

During the year £125 (2005 £502) was payable to J Forster in respect of consultancy services. J Forster is the husband of S Forster, a director of the company.

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.06 £	31.12.05 as restated £
Loss for the financial year	(300,394)	(193,542)
New share capital introduced	200,000	233,332
Share premium on new share capital	-	66,666
	<hr/>	<hr/>
Net (reduction)/addition to shareholders' funds	(100,394)	106,456
Opening shareholders' funds (originally £(79,530) before prior year adjustment of £(24,936))	<hr/> (104,466) <hr/>	<hr/> (210,922) <hr/>
Closing shareholders' funds	<u>(204,860)</u>	<u>(104,466)</u>

FREEMAN BUSINESS INFORMATION PLC.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2006

17 CONTINGENT ASSETS

A contingent asset exists in the form of probable future income in relation to additional consideration receivable from the sale of Integer software and services

Additional consideration is capped at £1,500,000. As at 31 December 2006, a total of nearly £290,000 had been received. Income from this source in the 12 months to 31 December 2007 is estimated at £90,000.

18 GOING CONCERN

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons:

The company is dependent for its working capital on funds provided to it by Peter Freeman. Peter Freeman has provided the company with an undertaking that, for at least twelve months from the date of approval of these financial statements, he will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future, by meeting its liabilities as they fall due for payment. The directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.